

Finance (No. 2) Act 1965

Section 3 - Amendment of Section 10

In section 10 of the Income-tax Act, -

(a) after clause (10), the following clause shall be, and shall be deemed always to have been, inserted, namely :-

"(10A)(i) any payment in commutation of pension received under the Civil Pensions (Commutation) Rules of the Central Government or under any similar scheme applicable to the members of the Defence Services or to the employees of a State Government, a local authority or a corporation established by a Central, State or Provincial Act;

(ii) any payment in commutation of pension received under any scheme of any other employer, to the extent it does not exceed -

(a) in a case where the employee receives any gratuity, the commuted value of one-third of the pension which he is normally entitled to receive, and

(b) in any other case, the commuted value of one-half of such pension, such commuted value being determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality :

Provided that the maximum limit of payment specified in sub-clause (ii) (a) or sub-clause (ii) (b) shall not apply in respect of any such payment made before the 19th day of August, 1965;"

(b) in sub-clause (ii) of clause (15), for the words "and interest on deposits in Post Office Savings Banks", the following shall be substituted, namely :-

"interest on deposits in Post Office Savings Banks and bonus in respect of deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959";

(c) after clause (23), the following clause shall be, and shall be deemed always to have been, inserted, namely :-

(23A) any income (other than income chargeable under the head "Interest on securities" or "Income from house property" or any income received for rendering any specific services or income by way of interest or dividends derived from its investments) of an association or institution established in India having as its object the control, supervision, regulation or encouragement of the profession of law, medicine,

accountancy, engineering or architecture or such other profession as the Central Government may specify in this behalf, from time to time, by notification in the Official Gazette :

Provided that -

- (i) the association or institution applies its income, or accumulates it for application, solely to the objects for which it is established; and
- (ii) the association or institution is for the time being approved for the purpose of this clause by the Central Government by general or special order;

(d) after clause (26), the following clause shall be, and shall be deemed always to have been, inserted, namely :-

"(26A) any income accruing or arising to any person (not being an individual who is in the service of Government) from any source in the district of Ladakh or outside India in any previous year relevant to any assessment year commencing before the 1st day of April, 1970, where such person is resident in the said district in that previous year :

Provided that this clause shall not apply in the case of any such person unless he was resident in that district in the previous year relevant to the assessment year commencing on the 1st day of April, 1962.

Explanation : For the purposes of this clause, a person shall be deemed to be resident in the district of Ladakh if he fulfils the requirements of sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) of section 6, as the case may be, subject to the modifications that -

- (i) references in those sub-sections to India shall be construed as references to the said district; and
- (ii) in clause (i) of sub-section (3), reference to Indian company shall be construed as reference to a company formed and registered under any law for the time being in force in the State of Jammu and Kashmir and having its registered office in that district in that year;"

(e) for clause (28), the following clause shall be substituted, namely :-

"(28) any amount adjusted or paid in respect of a tax credit certificate under the provisions of Chapter XXIIB and any scheme made thereunder.".